

PROVIDING FOR THE CONSIDERATION OF H.R. 1776, THE
AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPOR-
TUNITY ACT OF 2000

APRIL 5, 2000.—Referred to the House Calendar and ordered to be printed

Ms. PRYCE of Ohio, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 460]

The Committee on Rules, having had under consideration House Resolution 460, by an nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for the consideration of H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000, under a structured rule. The rule provides one hour of general debate divided equally between the chairman and ranking minority member of the Committee on Banking and Financial Services. The Rule waives all points of order against consideration of the report.

The rule makes in order the Committee on Banking and Financial Services amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment and waives all points of order against the amendment in the nature of the substitute. The rule also makes in order only those amendments printed in this report which may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole.

The rule waives all points of order against the amendments printed in this report. The rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill, and reduce voting time to five minutes on a postponed ques-

tion if the vote follows a fifteen minute vote. Finally, the rule provides one motion to recommit with or without instructions.

The waiver of all points of order against consideration of the bill includes a waiver of clause 3 of rule XIII (requiring the inclusion in the report of a CBO cost estimate), a waiver of clause 4 of rule XXI (prohibiting appropriations in legislative bills), and a waiver of section 303 of the Congressional Budget Act (prohibiting the consideration of legislation, as reported, providing new budget authority, changes in revenue, or changes in the public debt for a fiscal year until the budget resolution for that year has been agreed to). The waiver of clause 3 of rule XIII is necessary because the report that was filed on March 29, 2000 failed to include a Congressional Budget Office cost estimate. The waiver of clause 4 of rule XXI is necessary because section 1006 of the bill automatically appropriates the fees charged to lenders for loan guarantees issued. The waiver of section 303 of the Congressional Budget Act is necessary because the House has not yet passed the FY 2001 Budget Resolution Conference Report and because the Congressional Budget Office estimates the bill will result in a loss of revenue in the first year.

The waiver of all points of order against the amendment in the nature of the substitute includes a waiver of section 303 of the Congressional Budget Act for the same reasons as were specified for consideration of the bill. It also includes a waiver of clause 7 of rule XVI (prohibiting nongermane amendments) because section 1008 of the committee amendment in the nature of the substitute was not included in the original bill.

COMMITTEE VOTES

Pursuant to clause 3(b) of House rule XIII the results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 97

Date: April 5, 2000.

Measure: H.R. 1776.

Motion by: Representative Moakley.

Summary of motion: To make in order the Frank Amendment to require: the Secretary to make available information regarding housing defects and other information that the Secretary determines will assist in carrying out the Title within 60 days of the request and that within 7 days of a request for information, the Secretary will notify all parties who have asked to be notified of such request, to give them the opportunity to comment on the information being released and in providing information, the Secretary must comply with FOIA and Privacy Act protections governing the release of information, and must establish a process by which to verify and ensure the reliability of the information provided.

Results: Defeated 1 to 7.

Vote by Members: Linder—Nay; Diaz-Balart—Nay; Hastings—Nay; Myrick—Nay; Reynolds—Nay; Moakley—Yea; Frost—Nay; Dreier—Nay.

SUMMARY OF AMENDMENTS MADE IN ORDER UNDER THE RULE

Leach/LaFalce/Lazio/Frank (MA)—Manager’s Amendment. Amends Section 205 to include law enforcement officers, teachers and firefighters; amends Section 249 of the National Housing Act and allows Community Development Financial Institutions, along with Private Mortgage Insurance Companies to engage in risk-sharing activities with the Federal Housing Administration’s single family mortgage insurance programs; amends Section 211 of the bill to require a report on the Title I Home Improvement Loan Program with recommendations for improvements; expands housing assistance for native Hawaiians by extending to them the same type of federal housing programs available to American Indians and Alaska Natives; amends Section 1006 of the bill by striking subparagraph (u)(2); enhances the Secretary of HUD’s authority over the appointment of members to the consensus committee; clarifies the findings and purposes section of the bill to protect the quality, durability, safety and affordability of manufactured homes and protect residents with respect to personal injury and the amount of insurance costs and property damage in manufactured homes; addresses concerns over states’ rights issues regarding primary inspection agencies’ roles in inspecting homes at the manufacturing plants and monitoring homes once they reach retail sites; incorporates language to address concerns about changes in the distribution of manufactured program fees to states; requires the HUD Secretary to retain at least three separate and independent contractors to carry out the work of Title XI; expresses the sense of the Congress that the Secretary of Housing and Urban Development should consult with other agencies to make additional properties available for law enforcement officers, teachers, and fire fighters; clarifies Title VI of the bill as it relates to the selection criteria for the Homeownership Zone Grant program and provides that the Department of Housing and Urban Development may not reject an applicant who meets the selection criteria solely on the basis that the homeownership zone is located in an unincorporated area; requires homeowners who are delinquent on their payments be given a notice, within 45 days of their initial delinquency, stating that they are delinquent in payments; makes pre-kindergarten teachers eligible for housing benefits. (20 minutes)

Coburn—Strikes section 203 (Reduced Downpayment Requirement for Loans for Teachers and Uniformed Municipal Employees), section 404 (Homeownership for Municipal Employees—CDBG funds) and section 505 (Homeownership for Municipal Employees—HOME funds). (20 minutes)

Rush—Adds nurses to section 203 of the bill; allows the Secretary of HHS to define the term “nurse”, which includes nurses employed in hospitals and nursing homes; specifies that under the bill, nurses would be required to live in the jurisdiction where the hospital, nursing home or other place of nursing employment is located. (10 minutes)

Coburn—Amends section 203 to extend the benefits provided under the Section to the following: (1) those employed on a full-time basis by a tax exempt authority, (2) members of an organization under the jurisdiction of the NLRB, (3) those employed on a

full-time basis by the Federal Government, (4) those employed on a full-time basis by a small business, (5) those who have a financial interest in a small business, (6) those who qualify for the child care tax credit; amends section 404 to allow a mayor to use CDBG funds to assist any individual, irrespective of employer provided they meet the other requirements in the bill (live within the jurisdiction that receives the funds and with an income not exceeding 115% of the median average income.); and amends section 505 to extend the benefits provided under the Section to include the following: (1) those employed on a full-time basis by a tax exempt authority, (2) members of an organization under the jurisdiction of the NLRB, (3) those employed on a full-time basis by the Federal Government, (4) those employed on a full-time basis by a small business, (5) those who have a financial interest in a small business, (6) those who qualify for the child care tax credit. (10 minutes)

Andrews—Requires that anyone who certifies an FHA financed home for energy efficiency must be “an accredited home energy rating system provider.” (10 minutes)

Weygand—Increases the loan limit for the Title I single family home improvement program from \$25,000 to \$32,500 to reflect the increase in housing material costs since 1991 when the limit was last increased. (10 minutes)

Waters—Strikes language in Title IV that raises the CDBG income eligibility for a median household income to 150% and 115% and bring it back down to the existing level. (20 minutes)

Shays/Nadler/Crowley/Morella—Increases the funding authorization for the Housing Opportunities for Persons with Aids (HOPWA) program from \$260 million to \$292 million for fiscal year 2001. (20 minutes)

Paul/Kilpatrick—Amends the Community Development Block Grant program to prohibit the use of funds for “activities involving the acquisition of church property, unless the consent of the governing body of the church is obtained.” (10 minutes)

Traficant—Authorizes \$35 million special purpose Community Development Block Grant for site acquisition, planning, architectural design and construction of a convocation and community center in Youngstown, Ohio. (10 minutes)

Souder—Allows religious organizations to compete for the block grants provided in the bill on the same basis that other private organizations compete. (20 minutes)

Miller, Gary—Modifies the eligible local housing authority definition for the HUD Public Housing Drug Elimination Program Grants to include local housing authorities that can show evidence, through local efforts between the housing authority and police department, that they were able to eliminate drug and crime problems in public housing. (10 minutes)

Summaries provided by amendment sponsors.

TEXT OF AMENDMENTS MADE IN ORDER UNDER THE RULE

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LEACH OF IOWA, OR REPRESENTATIVE LAFALCE OF NEW YORK, OR A DESIGNEE, DEBATABLE FOR 20 MINUTES.

Page 28, line 24, after the comma insert “except that elementary education shall include pre-Kindergarten education, and”.

Page 36, strike line 13, and all that follows through page 37, line 2, and insert the following:

SEC. 206. COMMUNITY PARTNERS NEXT DOOR PROGRAM.

(a) SHORT TITLE.—This section may be cited as the “Community Partners Next Door Act”.

(b) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) teachers, law enforcement officers, fire fighters, and rescue personnel help form the backbones of communities and are integral components in the social capital of neighborhoods in the United States; and

(2) providing a discounted purchase price on HUD-owned properties for teachers, law enforcement officers, fire fighters, and rescue personnel recognizes the intrinsic value of the services provided by such employees to their communities and to family life and encourages and rewards those who are dedicated to providing public service in our most needy communities.

Page 37, line 10, after “TEACHERS” insert “AND PUBLIC SAFETY OFFICERS”.

Page 37, line 14, after “teacher” insert “or public safety officer”.

Page 38, line 2, after “teacher” insert “or public safety officer”.

Page 38, line 9, after “teacher” insert “or public safety officer”.

Page 38, line 11, after “teacher” insert “or public safety officer”.

Page 38, line 20, after “teacher” insert “or public safety officer”.

Page 39, line 4, after “teacher” insert “or public safety officer”.

Page 39, strike line 15, and all that follows through page 40, line

6.

Page 40, line 7, strike “(H)” and insert “(G)”.

Page 40, after line 20, insert the following:

“(iii) The term ‘public safety officer’ means an individual who is employed on a full-time basis as a public safety officer described in section 203(b)(10)(B)(i)(I)(bb).

Page 40, line 21, strike “(iii)” and insert “(iv)”.

Page 40, line 24 after “State-certified” insert “or State-licensed”.

Page 40, line 24, before “ad-” insert “or as an”.

Page 41, lines 14 and 15, strike “COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION”.

Strike line 24 on page 41 and all that follows through page 42, line 1, and insert the following:

(A) in the first sentence, by inserting “and insured community development financial institutions” after “private mortgage insurers”;

Page 42, strike lines 12 through 15, and insert the following:

- (A) in the first sentence, by inserting “and with insured community development financial institutions” before the period at the end;
- Page 42, after line 18, insert the following new subparagraph:
- (C) in the second sentence, by inserting “and insured community development financial institutions” after “private mortgage insurance companies”;
- Page 42, line 19, strike “(C)” and insert “(D)”.
- Page 43, line 3, strike “(D)” and insert “(E)”.
- Page 43, strike lines 17 through 23 and insert the following:
- (B) in the second sentence, by inserting “or insured community development financial institution” after “private mortgage insurance company”;
- (6) in subsection (d), by inserting “or insured community development financial institution” after “private mortgage insurance company”; and
- Page 59, line 10, strike “1 year” and insert “3 months”.
- Page 59, after line 23, insert the following new section:

SEC. 212. SENSE OF CONGRESS REGARDING MAKING PROPERTIES AVAILABLE FOR HOMEOWNERSHIP PROGRAMS.

It is the sense of the Congress that the Secretary of Housing and Urban Development should consult with the heads of other agencies of the Federal Government that own or hold properties appropriate for use as housing to determine the possibility and effectiveness of including such properties in programs that make housing available for law enforcement officers, teachers, or fire fighters.

Page 110, after line 2, insert the following:

The Secretary may not treat any application for a grant under this section adversely in any manner solely on the basis that the homeownership zone is located, in whole or in part, within unincorporated areas.

Page 119, after line 1, insert the following new subsection:

(a) EXTENSION OF PROGRAMS.—

(1) EMERGENCY HOMEOWNERSHIP COUNSELING.—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking “September 30, 2000” and inserting “September 30, 2005”.

(2) PREPURCHASE AND FORECLOSURE PREVENTION COUNSELING DEMONSTRATION.—Section 106(d)(12) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(d)(12)) is amended by striking “fiscal year 1994” and inserting “fiscal year 2005”.

Page 119, line 2, before “Section” insert “(b) COOPERATIVE OWNERSHIP HOUSING CORPORATIONS.—

Page 121, strike lines 12 and 13 and insert the following:

TITLE VII—NATIVE AMERICAN HOMEOWNERSHIP

Subtitle A—Native American Housing

Page 138, strike lines 12 through 18 and insert the following new subsection:

(j) **LABOR STANDARDS.**—Section 104(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b)) is amended—

(1) in paragraph (1), by striking “Davis-Bacon Act (40 U.S.C. 276a–276a–5)” and inserting “Act of March 3, 1931 (commonly known as the Davis-Bacon Act; chapter 411; 46 Stat. 1494; 40 U.S.C. 276a et seq.)”; and

(2) by adding at the end the following new paragraph:

“(3) **APPLICATION OF TRIBAL LAWS.**—Paragraph (1) shall not apply to any contract or agreement for assistance, sale, or lease pursuant to this Act, if such contract or agreement is otherwise covered by one or more laws or regulations adopted by an Indian tribe that requires the payment of not less than prevailing wages, as determined by the Indian tribe.”.

Page 139, after line 16, insert the following new subtitle:

Subtitle B—Native Hawaiian Housing

SEC. 721. SHORT TITLE.

This subtitle may be cited as the “Hawaiian Homelands Homeownership Act of 2000”.

SEC. 722. FINDINGS.

The Congress finds that—

(1) the United States has undertaken a responsibility to promote the general welfare of the United States by—

(A) employing its resources to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of lower income; and

(B) developing effective partnerships with governmental and private entities to accomplish the objectives referred to in subparagraph (A);

(2) the United States has a special responsibility for the welfare of the Native peoples of the United States, including Native Hawaiians;

(3) pursuant to the provisions of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), the United States set aside 200,000 acres of land in the Federal territory that later became the State of Hawaii in order to establish a homeland for the native people of Hawaii—Native Hawaiians;

(4) despite the intent of Congress in 1920 to address the housing needs of Native Hawaiians through the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), Native Hawaiians eligible to reside on the Hawaiian

home lands have been foreclosed from participating in Federal housing assistance programs available to all other eligible families in the United States;

(5) although Federal housing assistance programs have been administered on a racially neutral basis in the State of Hawaii, Native Hawaiians continue to have the greatest unmet need for housing and the highest rates of overcrowding in the United States;

(6) among the Native American population of the United States, Native Hawaiians experience the highest percentage of housing problems in the United States, as the percentage—

(A) of housing problems in the Native Hawaiian population is 49 percent, as compared to—

(i) 44 percent for American Indian and Alaska Native households in Indian country; and

(ii) 27 percent for all other households in the United States; and

(B) overcrowding in the Native Hawaiian population is 36 percent as compared to 3 percent for all other households in the United States;

(7) among the Native Hawaiian population, the needs of Native Hawaiians, as that term is defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996, as added by section 723 of this subtitle, eligible to reside on the Hawaiian Home Lands are the most severe, as—

(A) the percentage of overcrowding in Native Hawaiian households on the Hawaiian Home Lands is 36 percent; and

(B) approximately 13,000 Native Hawaiians, which constitute 95 percent of the Native Hawaiians who are eligible to reside on the Hawaiian Home Lands, are in need of housing;

(8) applying the Department of Housing and Urban Development guidelines—

(A) 70.8 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes that fall below the median family income; and

(B) 50 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes below 30 percent of the median family income;

(9) $\frac{1}{3}$ of those Native Hawaiians who are eligible to reside on the Hawaiian Home Lands pay more than 30 percent of their income for shelter, and $\frac{1}{2}$ of those Native Hawaiians face overcrowding;

(10) the extraordinarily severe housing needs of Native Hawaiians demonstrate that Native Hawaiians who either reside on, or are eligible to reside on, Hawaiian Home Lands have been denied equal access to Federal low-income housing assistance programs available to other qualified residents of the United States, and that a more effective means of addressing their housing needs must be authorized;

(11) consistent with the recommendations of the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing, and in order to address the continuing prevalence of extraordinarily severe housing needs among Native Hawaiians who either reside or are eligible to reside on the Hawaiian Home Lands, Congress finds it necessary to extend the Federal low-income housing assistance available to American Indians and Alaska Natives under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) to those Native Hawaiians;

(12) under the treatymaking power of the United States, Congress had the constitutional authority to confirm a treaty between the United States and the government that represented the Hawaiian people, and from 1826 until 1893, the United States recognized the independence of the Kingdom of Hawaii, extended full diplomatic recognition to the Hawaiian Government, and entered into treaties and conventions with the Hawaiian monarchs to govern commerce and navigation in 1826, 1842, 1849, 1875, and 1887;

(13) the United States has recognized and reaffirmed that—

(A) Native Hawaiians have a cultural, historic, and land-based link to the indigenous people who exercised sovereignty over the Hawaiian Islands, and that group has never relinquished its claims to sovereignty or its sovereign lands;

(B) Congress does not extend services to Native Hawaiians because of their race, but because of their unique status as the indigenous people of a once sovereign nation as to whom the United States has established a trust relationship;

(C) Congress has also delegated broad authority to administer a portion of the Federal trust responsibility to the State of Hawaii;

(D) the political status of Native Hawaiians is comparable to that of American Indians and Alaska Natives; and

(E) the aboriginal, indigenous people of the United States have—

(i) a continuing right to autonomy in their internal affairs; and

(ii) an ongoing right of self-determination and self-governance that has never been extinguished;

(14) the political relationship between the United States and the Native Hawaiian people has been recognized and reaffirmed by the United States as evidenced by the inclusion of Native Hawaiians in—

(A) the Native American Programs Act of 1974 (42 U.S.C. 2291 et seq.);

(B) the American Indian Religious Freedom Act (42 U.S.C. 1996 et seq.);

(C) the National Museum of the American Indian Act (20 U.S.C. 80q et seq.);

(D) the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.);

- (E) the National Historic Preservation Act (16 U.S.C. 470 et seq.);
 - (F) the Native American Languages Act of 1992 (106 Stat. 3434);
 - (G) the American Indian, Alaska Native and Native Hawaiian Culture and Arts Development Act (20 U.S.C. 4401 et seq.);
 - (H) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and
 - (I) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and
- (15) in the area of housing, the United States has recognized and reaffirmed the political relationship with the Native Hawaiian people through—
- (A) the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), which set aside approximately 200,000 acres of public lands that became known as Hawaiian Home Lands in the Territory of Hawaii that had been ceded to the United States for homesteading by Native Hawaiians in order to rehabilitate a landless and dying people;
 - (B) the enactment of the Act entitled “An Act to provide for the admission of the State of Hawaii into the Union”, approved March 18, 1959 (73 Stat. 4)—
 - (i) by ceding to the State of Hawaii title to the public lands formerly held by the United States, and mandating that those lands be held in public trust, for the betterment of the conditions of Native Hawaiians, as that term is defined in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.); and
 - (ii) by transferring the United States responsibility for the administration of Hawaiian Home Lands to the State of Hawaii, but retaining the authority to enforce the trust, including the exclusive right of the United States to consent to any actions affecting the lands which comprise the corpus of the trust and any amendments to the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), enacted by the legislature of the State of Hawaii affecting the rights of beneficiaries under the Act;
 - (C) the authorization of mortgage loans insured by the Federal Housing Administration for the purchase, construction, or refinancing of homes on Hawaiian Home Lands under the National Housing Act (Public Law 479, 73d Congress; 12 U.S.C. 1701 et seq.);
 - (D) authorizing Native Hawaiian representation on the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing under Public Law 101–235;
 - (E) the inclusion of Native Hawaiians in the definition under section 3764 of title 38, United States Code, applicable to subchapter V of chapter 37 of title 38, United States Code (relating to a housing loan program for Native American veterans); and

(F) the enactment of the Hawaiian Home Lands Recovery Act (109 Stat. 357; 48 U.S.C. 491, note prec.) which establishes a process for the conveyance of Federal lands to the Department of Hawaiian Homes Lands that are equivalent in value to lands acquired by the United States from the Hawaiian Home Lands inventory.

SEC. 723. HOUSING ASSISTANCE.

The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) is amended by adding at the end the following:

**“TITLE VIII—HOUSING ASSISTANCE FOR
NATIVE HAWAIIANS**

“SEC. 801. DEFINITIONS.

“In this title:

“(1) DEPARTMENT OF HAWAIIAN HOME LANDS; DEPARTMENT.—The term ‘Department of Hawaiian Home Lands’ or ‘Department’ means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

“(2) DIRECTOR.—The term ‘Director’ means the Director of the Department of Hawaiian Home Lands.

“(3) ELDERLY FAMILIES; NEAR-ELDERLY FAMILIES.—

“(A) IN GENERAL.—The term ‘elderly family’ or ‘near-elderly family’ means a family whose head (or his or her spouse), or whose sole member, is—

“(i) for an elderly family, an elderly person; or

“(ii) for a near-elderly family, a near-elderly person.

“(B) CERTAIN FAMILIES INCLUDED.—The term ‘elderly family’ or ‘near-elderly family’ includes—

“(i) 2 or more elderly persons or near-elderly persons, as the case may be, living together; and

“(ii) 1 or more persons described in clause (i) living with 1 or more persons determined under the housing plan to be essential to their care or well-being.

“(4) HAWAIIAN HOME LANDS.—The term ‘Hawaiian Home Lands’ means lands that—

“(A) have the status as Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920(42 Stat. 110); or

“(B) are acquired pursuant to that Act.

“(5) HOUSING AREA.—The term ‘housing area’ means an area of Hawaiian Home Lands with respect to which the Department of Hawaiian Home Lands is authorized to provide assistance for affordable housing under this Act.

“(6) HOUSING ENTITY.—The term ‘housing entity’ means the Department of Hawaiian Home Lands.

“(7) HOUSING PLAN.—The term ‘housing plan’ means a plan developed by the Department of Hawaiian Home Lands.

“(8) **MEDIAN INCOME.**—The term ‘median income’ means, with respect to an area that is a Hawaiian housing area, the greater of—

“(A) the median income for the Hawaiian housing area, which shall be determined by the Secretary; or

“(B) the median income for the State of Hawaii.

“(9) **NATIVE HAWAIIAN.**—The term ‘Native Hawaiian’ means any individual who is—

“(A) a citizen of the United States; and

“(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

“(i) genealogical records;

“(ii) verification by kupuna (elders) or kama’aina (long-term community residents); or

“(iii) birth records of the State of Hawaii.

“SEC. 802. BLOCK GRANTS FOR AFFORDABLE HOUSING ACTIVITIES.

“(a) **GRANT AUTHORITY.**—For each fiscal year, the Secretary shall (to the extent amounts are made available to carry out this title) make a grant under this title to the Department of Hawaiian Home Lands to carry out affordable housing activities for Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands.

“(b) **PLAN REQUIREMENT.**—

“(1) **IN GENERAL.**—The Secretary may make a grant under this title to the Department of Hawaiian Home Lands for a fiscal year only if—

“(A) the Director has submitted to the Secretary a housing plan for that fiscal year; and

“(B) the Secretary has determined under section 804 that the housing plan complies with the requirements of section 803.

“(2) **WAIVER.**—The Secretary may waive the applicability of the requirements under paragraph (1), in part, if the Secretary finds that the Department of Hawaiian Home Lands has not complied or cannot comply with those requirements due to circumstances beyond the control of the Department of Hawaiian Home Lands.

“(c) **USE OF AFFORDABLE HOUSING ACTIVITIES UNDER PLAN.**—Except as provided in subsection (e), amounts provided under a grant under this section may be used only for affordable housing activities under this title that are consistent with a housing plan approved under section 804.

“(d) **ADMINISTRATIVE EXPENSES.**—

“(1) **IN GENERAL.**—The Secretary shall, by regulation, authorize the Department of Hawaiian Home Lands to use a percentage of any grant amounts received under this title for any reasonable administrative and planning expenses of the Department relating to carrying out this title and activities assisted with those amounts.

“(2) ADMINISTRATIVE AND PLANNING EXPENSES.—The administrative and planning expenses referred to in paragraph (1) include—

“(A) costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this title; and

“(B) expenses incurred in preparing a housing plan under section 803.

“(e) PUBLIC-PRIVATE PARTNERSHIPS.—The Director shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing a housing plan that has been approved by the Secretary under section 803.

“SEC. 803. HOUSING PLAN.

“(a) PLAN SUBMISSION.—The Secretary shall—

“(1) require the Director to submit a housing plan under this section for each fiscal year; and

“(2) provide for the review of each plan submitted under paragraph (1).

“(b) 5-YEAR PLAN.—Each housing plan under this section shall—

“(1) be in a form prescribed by the Secretary; and

“(2) contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

“(A) MISSION STATEMENT.—A general statement of the mission of the Department of Hawaiian Home Lands to serve the needs of the low-income families to be served by the Department.

“(B) GOAL AND OBJECTIVES.—A statement of the goals and objectives of the Department of Hawaiian Home Lands to enable the Department to serve the needs identified in subparagraph (A) during the period.

“(C) ACTIVITIES PLANS.—An overview of the activities planned during the period including an analysis of the manner in which the activities will enable the Department to meet its mission, goals, and objectives.

“(c) 1-YEAR PLAN.—A housing plan under this section shall—

“(1) be in a form prescribed by the Secretary; and

“(2) contain the following information relating to the fiscal year for which the assistance under this title is to be made available:

“(A) GOALS AND OBJECTIVES.—A statement of the goals and objectives to be accomplished during the period covered by the plan.

“(B) STATEMENT OF NEEDS.—A statement of the housing needs of the low-income families served by the Department and the means by which those needs will be addressed during the period covered by the plan, including—

“(i) a description of the estimated housing needs and the need for assistance for the low-income families to be served by the Department, including a description of the manner in which the geographical distribution of assistance is consistent with—

“(I) the geographical needs of those families;
and

“(II) needs for various categories of housing assistance; and

“(ii) a description of the estimated housing needs for all families to be served by the Department.

“(C) FINANCIAL RESOURCES.—An operating budget for the Department of Hawaiian Home Lands, in a form prescribed by the Secretary, that includes—

“(i) an identification and a description of the financial resources reasonably available to the Department to carry out the purposes of this title, including an explanation of the manner in which amounts made available will be used to leverage additional resources; and

“(ii) the uses to which the resources described in clause (i) will be committed, including—

“(I) eligible and required affordable housing activities; and

“(II) administrative expenses.

“(D) AFFORDABLE HOUSING RESOURCES.—A statement of the affordable housing resources currently available at the time of the submittal of the plan and to be made available during the period covered by the plan, including—

“(i) a description of the significant characteristics of the housing market in the State of Hawaii, including the availability of housing from other public sources, private market housing;

“(ii) the manner in which the characteristics referred to in clause (i) influence the decision of the Department of Hawaiian Home Lands to use grant amounts to be provided under this title for—

“(I) rental assistance;

“(II) the production of new units;

“(III) the acquisition of existing units; or

“(IV) the rehabilitation of units;

“(iii) a description of the structure, coordination, and means of cooperation between the Department of Hawaiian Home Lands and any other governmental entities in the development, submission, or implementation of housing plans, including a description of—

“(I) the involvement of private, public, and non-profit organizations and institutions;

“(II) the use of loan guarantees under section 184A of the Housing and Community Development Act of 1992; and

“(III) other housing assistance provided by the United States, including loans, grants, and mortgage insurance;

“(iv) a description of the manner in which the plan will address the needs identified pursuant to subparagraph (C);

“(v) a description of—

- “(I) any existing or anticipated homeownership programs and rental programs to be carried out during the period covered by the plan; and
 - “(II) the requirements and assistance available under the programs referred to in subclause (I);
 - “(vi) a description of—
 - “(I) any existing or anticipated housing rehabilitation programs necessary to ensure the long-term viability of the housing to be carried out during the period covered by the plan; and
 - “(II) the requirements and assistance available under the programs referred to in subclause (I);
 - “(vii) a description of—
 - “(I) all other existing or anticipated housing assistance provided by the Department of Hawaiian Home Lands during the period covered by the plan, including—
 - “(aa) transitional housing;
 - “(bb) homeless housing;
 - “(cc) college housing; and
 - “(dd) supportive services housing; and
 - “(II) the requirements and assistance available under such programs;
 - “(viii)(I) a description of any housing to be demolished or disposed of;
 - “(II) a timetable for that demolition or disposition; and
 - “(III) any other information required by the Secretary with respect to that demolition or disposition;
 - “(ix) a description of the manner in which the Department of Hawaiian Home Lands will coordinate with welfare agencies in the State of Hawaii to ensure that residents of the affordable housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency;
 - “(x) a description of the requirements established by the Department of Hawaiian Home Lands to—
 - “(I) promote the safety of residents of the affordable housing;
 - “(II) facilitate the undertaking of crime prevention measures;
 - “(III) allow resident input and involvement, including the establishment of resident organizations; and
 - “(IV) allow for the coordination of crime prevention activities between the Department and local law enforcement officials; and
 - “(xi) a description of the entities that will carry out the activities under the plan, including the organizational capacity and key personnel of the entities.
- “(E) CERTIFICATION OF COMPLIANCE.—Evidence of compliance that shall include, as appropriate—
- “(i) a certification that the Department of Hawaiian Home Lands will comply with—

“(I) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or with the Fair Housing Act (42 U.S.C. 3601 et seq.) in carrying out this title, to the extent that such title is applicable; and

“(II) other applicable Federal statutes;

“(ii) a certification that the Department will require adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under this title, in compliance with such requirements as may be established by the Secretary;

“(iii) a certification that policies are in effect and are available for review by the Secretary and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title;

“(iv) a certification that policies are in effect and are available for review by the Secretary and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under this title; and

“(v) a certification that policies are in effect and are available for review by the Secretary and the public governing the management and maintenance of housing assisted with grant amounts provided under this title.

“(d) **APPLICABILITY OF CIVIL RIGHTS STATUTES.**—

“(1) **IN GENERAL.**—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of the Fair Housing Act (42 U.S.C. 3601 et seq.) apply to assistance provided under this title, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of assistance under this title—

“(A) to the Department of Hawaiian Home Lands on the basis that the Department served Native Hawaiians; or

“(B) to an eligible family on the basis that the family is a Native Hawaiian family.

“(2) **CIVIL RIGHTS.**—Program eligibility under this title may be restricted to Native Hawaiians. Subject to the preceding sentence, no person may be discriminated against on the basis of race, color, national origin, religion, sex, familial status, or disability.

“(e) **USE OF NONPROFIT ORGANIZATIONS.**—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands shall, to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

“**SEC. 804. REVIEW OF PLANS.**

“(a) **REVIEW AND NOTICE.**—

“(1) **REVIEW.**—

“(A) **IN GENERAL.**—The Secretary shall conduct a review of a housing plan submitted to the Secretary under section

803 to ensure that the plan complies with the requirements of that section.

“(B) LIMITATION.—The Secretary shall have the discretion to review a plan referred to in subparagraph (A) only to the extent that the Secretary considers that the review is necessary.

“(2) NOTICE.—

“(A) IN GENERAL.—Not later than 60 days after receiving a plan under section 803, the Secretary shall notify the Director of the Department of Hawaiian Home Lands whether the plan complies with the requirements under that section.

“(B) EFFECT OF FAILURE OF SECRETARY TO TAKE ACTION.—For purposes of this title, if the Secretary does not notify the Director, as required under this subsection and subsection (b), upon the expiration of the 60-day period described in subparagraph (A)—

“(i) the plan shall be considered to have been determined to comply with the requirements under section 803; and

“(ii) the Director shall be considered to have been notified of compliance.

“(b) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan submitted under section 803 does not comply with the requirements of that section, the Secretary shall specify in the notice under subsection (a)—

“(1) the reasons for noncompliance; and

“(2) any modifications necessary for the plan to meet the requirements of section 803.

“(c) REVIEW.—

“(1) IN GENERAL.—After the Director of the Department of Hawaiian Home Lands submits a housing plan under section 803, or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make a determination under this subsection, the Secretary shall review the plan (including any amendments or modifications thereto) to determine whether the contents of the plan—

“(A) set forth the information required by section 803 to be contained in the housing plan;

“(B) are consistent with information and data available to the Secretary; and

“(C) are not prohibited by or inconsistent with any provision of this Act or any other applicable law.

“(2) INCOMPLETE PLANS.—If the Secretary determines under this subsection that any of the appropriate certifications required under section 803(c)(2)(E) are not included in a plan, the plan shall be considered to be incomplete.

“(d) UPDATES TO PLAN.—

“(1) IN GENERAL.—Subject to paragraph (2), after a plan under section 803 has been submitted for a fiscal year, the Director of the Department of Hawaiian Home Lands may comply with the provisions of that section for any succeeding fiscal year (with respect to information included for the 5-year period

under section 803(b) or for the 1-year period under section 803(c)) by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

“(2) COMPLETE PLANS.—The Director shall submit a complete plan under section 803 not later than 4 years after submitting an initial plan under that section, and not less frequently than every 4 years thereafter.

“(e) EFFECTIVE DATE.—This section and section 803 shall take effect on the date provided by the Secretary pursuant to section 807(a) to provide for timely submission and review of the housing plan as necessary for the provision of assistance under this title for fiscal year 2001.

“SEC. 805. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.

“(a) PROGRAM INCOME.—

“(1) AUTHORITY TO RETAIN.—The Department of Hawaiian Home Lands may retain any program income that is realized from any grant amounts received by the Department under this title if—

“(A) that income was realized after the initial disbursement of the grant amounts received by the Department; and

“(B) the Director agrees to use the program income for affordable housing activities in accordance with the provisions of this title.

“(2) PROHIBITION OF REDUCTION OF GRANT.—The Secretary may not reduce the grant amount for the Department of Hawaiian Home Lands based solely on—

“(A) whether the Department retains program income under paragraph (1); or

“(B) the amount of any such program income retained.

“(3) EXCLUSION OF AMOUNTS.—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the requirements of this subsection would create an unreasonable administrative burden on the Department.

“(b) LABOR STANDARDS.—

“(1) IN GENERAL.—Any contract or agreement for assistance, sale, or lease pursuant to this title shall contain—

“(A) a provision requiring that an amount not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, technicians employed in the development and all maintenance, and laborers and mechanics employed in the operation, of the affordable housing project involved; and

“(B) a provision that an amount not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Act commonly known as the ‘Davis-Bacon Act’ (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.) shall be paid to all laborers and me-

chanics employed in the development of the affordable housing involved.

“(2) EXCEPTIONS.—Paragraph (1) and provisions relating to wages required under paragraph (1) in any contract or agreement for assistance, sale, or lease under this title, shall not apply to any individual who performs the services for which the individual volunteered and who is not otherwise employed at any time in the construction work and received no compensation or is paid expenses, reasonable benefits, or a nominal fee for those services.

“SEC. 806. ENVIRONMENTAL REVIEW.

“(a) IN GENERAL.—

“(1) RELEASE OF FUNDS.—

“(A) IN GENERAL.—The Secretary may carry out the alternative environmental protection procedures described in subparagraph (B) in order to ensure—

“(i) that the policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of grant amounts provided under this title; and

“(ii) to the public undiminished protection of the environment.

“(B) ALTERNATIVE ENVIRONMENTAL PROTECTION PROCEDURE.—In lieu of applying environmental protection procedures otherwise applicable, the Secretary may by regulation provide for the release of funds for specific projects to the Department of Hawaiian Home Lands if the Director of the Department assumes all of the responsibilities for environmental review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were the Secretary to undertake those projects as Federal projects.

“(2) REGULATIONS.—

“(A) IN GENERAL.—The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

“(B) CONTENTS.—The regulations issued under this paragraph shall—

“(i) provide for the monitoring of the environmental reviews performed under this section;

“(ii) in the discretion of the Secretary, facilitate training for the performance of such reviews; and

“(iii) provide for the suspension or termination of the assumption of responsibilities under this section.

“(3) EFFECT ON ASSUMED RESPONSIBILITY.—The duty of the Secretary under paragraph (2)(B) shall not be construed to limit or reduce any responsibility assumed by the Department of Hawaiian Home Lands for grant amounts with respect to any specific release of funds.

“(b) PROCEDURE.—

“(1) IN GENERAL.—The Secretary shall authorize the release of funds subject to the procedures under this section only if, not less than 15 days before that approval and before any commitment of funds to such projects, the Director of the Department of Hawaiian Home Lands submits to the Secretary a request for such release accompanied by a certification that meets the requirements of subsection (c).

“(2) EFFECT OF APPROVAL.—The approval of the Secretary of a certification described in paragraph (1) shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and such other provisions of law as the regulations of the Secretary specify to the extent that those responsibilities relate to the releases of funds for projects that are covered by that certification.

“(c) CERTIFICATION.—A certification under the procedures under this section shall—

“(1) be in a form acceptable to the Secretary;

“(2) be executed by the Director of the Department of Hawaiian Home Lands;

“(3) specify that the Department of Hawaiian Home Lands has fully carried out its responsibilities as described under subsection (a); and

“(4) specify that the Director—

“(A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and each provision of law specified in regulations issued by the Secretary to the extent that those laws apply by reason of subsection (a); and

“(B) is authorized and consents on behalf of the Department of Hawaiian Home Lands and the Director to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities of the Director of the Department of Hawaiian Home Lands as such an official.

“SEC. 807. REGULATIONS.

“The Secretary shall issue final regulations necessary to carry out this title not later than October 1, 2001.

“SEC. 808. EFFECTIVE DATE.

“Except as otherwise expressly provided in this title, this title shall take effect on the date of enactment of the American Homeownership and Economic Opportunity Act of 2000.

“SEC. 809. AFFORDABLE HOUSING ACTIVITIES.

“(a) NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.—

“(1) PRIMARY OBJECTIVE.—The national objectives of this title are—

“(A) to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for occupancy by low-income Native Hawaiian families;

“(B) to ensure better access to private mortgage markets and to promote self-sufficiency of low-income Native Hawaiian families;

“(C) to coordinate activities to provide housing for low-income Native Hawaiian families with Federal, State and local activities to further economic and community development;

“(D) to plan for and integrate infrastructure resources on the Hawaiian Home Lands with housing development; and

“(E) to—

“(i) promote the development of private capital markets; and

“(ii) allow the markets referred to in clause (i) to operate and grow, thereby benefiting Native Hawaiian communities.

“(2) ELIGIBLE FAMILIES.—

“(A) IN GENERAL.—Except as provided under subparagraph (B), assistance for eligible housing activities under this title shall be limited to low-income Native Hawaiian families.

“(B) EXCEPTION TO LOW-INCOME REQUIREMENT.—

“(i) IN GENERAL.—The Director may provide assistance for homeownership activities under—

“(I) section 810(b);

“(II) model activities under section 810(f); or

“(III) loan guarantee activities under section 184A of the Housing and Community Development Act of 1992 to Native Hawaiian families who are not low-income families, to the extent that the Secretary approves the activities under that section to address a need for housing for those families that cannot be reasonably met without that assistance.

“(ii) LIMITATIONS.—The Secretary shall establish limitations on the amount of assistance that may be provided under this title for activities for families that are not low-income families.

“(C) OTHER FAMILIES.—Notwithstanding paragraph (1), the Director may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this title to a family that is not composed of Native Hawaiians if—

“(i) the Department determines that the presence of the family in the housing involved is essential to the well-being of Native Hawaiian families; and

“(ii) the need for housing for the family cannot be reasonably met without the assistance.

“(D) PREFERENCE.—

“(i) IN GENERAL.—A housing plan submitted under section 803 may authorize a preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this title to be provided, to the extent practicable, to families that are eligible to reside on the Hawaiian Home Lands.

“(ii) APPLICATION.—In any case in which a housing plan provides for preference described in clause (i), the

Director shall ensure that housing activities that are assisted with grant amounts under this title are subject to that preference.

“(E) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands, shall to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

“SEC. 810. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.

“(a) IN GENERAL.—Affordable housing activities under this section are activities conducted in accordance with the requirements of section 811 to—

“(1) develop or to support affordable housing for rental or homeownership; or

“(2) provide housing services with respect to affordable housing, through the activities described in subsection (b).

“(b) ACTIVITIES.—The activities described in this subsection are the following:

“(1) DEVELOPMENT.—The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include—

“(A) real property acquisition;

“(B) site improvement;

“(C) the development of utilities and utility services;

“(D) conversion;

“(E) demolition;

“(F) financing;

“(G) administration and planning; and

“(H) other related activities.

“(2) HOUSING SERVICES.—The provision of housing-related services for affordable housing, including—

“(A) housing counseling in connection with rental or homeownership assistance;

“(B) the establishment and support of resident organizations and resident management corporations;

“(C) energy auditing;

“(D) activities related to the provisions of self-sufficiency and other services; and

“(E) other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities assisted pursuant to this section.

“(3) HOUSING MANAGEMENT SERVICES.—The provision of management services for affordable housing, including—

“(A) the preparation of work specifications;

“(B) loan processing;

“(C) inspections;

“(D) tenant selection;

“(E) management of tenant-based rental assistance; and

“(F) management of affordable housing projects.

“(4) CRIME PREVENTION AND SAFETY ACTIVITIES.—The provision of safety, security, and law enforcement measures and ac-

tivities appropriate to protect residents of affordable housing from crime.

“(5) MODEL ACTIVITIES.—Housing activities under model programs that are—

“(A) designed to carry out the purposes of this title; and

“(B) specifically approved by the Secretary as appropriate for the purpose referred to in subparagraph (A).

“SEC. 811. PROGRAM REQUIREMENTS.

“(a) RENTS.—

“(1) ESTABLISHMENT.—Subject to paragraph (2), as a condition to receiving grant amounts under this title, the Director shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this title, including methods by which such rents and homebuyer payments are determined.

“(2) MAXIMUM RENT.—In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this title, the monthly rent or homebuyer payment (as applicable) for that dwelling unit may not exceed 30 percent of the monthly adjusted income of that family.

“(b) MAINTENANCE AND EFFICIENT OPERATION.—

“(1) IN GENERAL.—The Director shall, using amounts of any grants received under this title, reserve and use for operating under section 810 such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

“(2) DISPOSAL OF CERTAIN HOUSING.—This subsection may not be construed to prevent the Director, or any entity funded by the Department, from demolishing or disposing of housing, pursuant to regulations established by the Secretary.

“(c) INSURANCE COVERAGE.—As a condition to receiving grant amounts under this title, the Director shall require adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this title.

“(d) ELIGIBILITY FOR ADMISSION.—As a condition to receiving grant amounts under this title, the Director shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title.

“(e) MANAGEMENT AND MAINTENANCE.—As a condition to receiving grant amounts under this title, the Director shall develop policies governing the management and maintenance of housing assisted with grant amounts under this title.

“SEC. 812. TYPES OF INVESTMENTS.

“(a) IN GENERAL.—Subject to section 811 and an applicable housing plan approved under section 803, the Director shall have—

“(1) the discretion to use grant amounts for affordable housing activities through the use of—

“(A) equity investments;

“(B) interest-bearing loans or advances;

“(C) noninterest-bearing loans or advances;

“(D) interest subsidies;

“(E) the leveraging of private investments; or

“(F) any other form of assistance that the Secretary determines to be consistent with the purposes of this title; and

“(2) the right to establish the terms of assistance provided with funds referred to in paragraph (1).

“(b) INVESTMENTS.—The Director may invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations, as approved by the Secretary.

“SEC. 813. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

“(a) IN GENERAL.—Housing shall qualify for affordable housing for purposes of this title only if—

“(1) each dwelling unit in the housing—

“(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of the initial occupancy of that family of that unit; and

“(B) in the case of housing for homeownership, is made available for purchase only by a family that is a low-income family at the time of purchase; and

“(2) each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for—

“(A) the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership; or

“(B) such other period as the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this title, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if that action—

“(i) recognizes any contractual or legal rights of any public agency, nonprofit sponsor, or other person or entity to take an action that would—

“(I) avoid termination of low-income affordability, in the case of foreclosure; or

“(II) transfer ownership in lieu of foreclosure; and

“(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

“(b) EXCEPTION.—Notwithstanding subsection (a), housing assisted pursuant to section 809(a)(2)(B) shall be considered affordable housing for purposes of this title.

“SEC. 814. LEASE REQUIREMENTS AND TENANT SELECTION.

“(a) LEASES.—Except to the extent otherwise provided by or inconsistent with the laws of the State of Hawaii, in renting dwelling units in affordable housing assisted with grant amounts provided under this title, the Director, owner, or manager shall use leases that—

“(1) do not contain unreasonable terms and conditions;

“(2) require the Director, owner, or manager to maintain the housing in compliance with applicable housing codes and quality standards;

“(3) require the Director, owner, or manager to give adequate written notice of termination of the lease, which shall be the period of time required under applicable State or local law;

“(4) specify that, with respect to any notice of eviction or termination, notwithstanding any State or local law, a resident shall be informed of the opportunity, before any hearing or trial, to examine any relevant documents, record, or regulations directly related to the eviction or termination;

“(5) require that the Director, owner, or manager may not terminate the tenancy, during the term of the lease, except for serious or repeated violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause; and

“(6) provide that the Director, owner, or manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the household of the resident, or any guest or other person under the control of the resident, that—

“(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the Department, owner, or manager;

“(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

“(C) is criminal activity (including drug-related criminal activity) on or off the premises.

“(b) **TENANT OR HOMEBUYER SELECTION.**—As a condition to receiving grant amounts under this title, the Director shall adopt and use written tenant and homebuyer selection policies and criteria that—

“(1) are consistent with the purpose of providing housing for low-income families;

“(2) are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and

“(3) provide for—

“(A) the selection of tenants and homebuyers from a written waiting list in accordance with the policies and goals set forth in an applicable housing plan approved under section 803; and

“(B) the prompt notification in writing of any rejected applicant of the grounds for that rejection.

“SEC. 815. REPAYMENT.

“If the Department of Hawaiian Home Lands uses grant amounts to provide affordable housing under activities under this title and, at any time during the useful life of the housing, the housing does not comply with the requirement under section 813(a)(2), the Secretary shall—

“(1) reduce future grant payments on behalf of the Department by an amount equal to the grant amounts used for that housing (under the authority of section 819(a)(2)); or

“(2) require repayment to the Secretary of any amount equal to those grant amounts.

“SEC. 816. ANNUAL ALLOCATION.

“For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this title for the fiscal year, in accordance with the formula established pursuant to section 817 to the Department of Hawaiian Home Lands if the Department complies with the requirements under this title for a grant under this title.

“SEC. 817. ALLOCATION FORMULA.

“(a) ESTABLISHMENT.—The Secretary shall, by regulation issued not later than the expiration of the 6-month period beginning on the date of enactment of the American Homeownership and Economic Opportunity Act of 2000, in the manner provided under section 807, establish a formula to provide for the allocation of amounts available for a fiscal year for block grants under this title in accordance with the requirements of this section.

“(b) FACTORS FOR DETERMINATION OF NEED.—The formula under subsection (a) shall be based on factors that reflect the needs for assistance for affordable housing activities, including—

“(1) the number of low-income dwelling units owned or operated at the time pursuant to a contract between the Director and the Secretary;

“(2) the extent of poverty and economic distress and the number of Native Hawaiian families eligible to reside on the Hawaiian Home Lands; and

“(3) any other objectively measurable conditions that the Secretary and the Director may specify.

“(c) OTHER FACTORS FOR CONSIDERATION.—In establishing the formula under subsection (a), the Secretary shall consider the relative administrative capacities of the Department of Hawaiian Home Lands and other challenges faced by the Department, including—

“(1) geographic distribution within Hawaiian Home Lands; and

“(2) technical capacity.

“(d) EFFECTIVE DATE.—This section shall take effect on the date of enactment of the American Homeownership and Economic Opportunity Act of 2000.

“SEC. 818. REMEDIES FOR NONCOMPLIANCE.

“(a) ACTIONS BY SECRETARY AFFECTING GRANT AMOUNTS.—

“(1) IN GENERAL.—Except as provided in subsection (b), if the Secretary finds after reasonable notice and opportunity for a hearing that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary shall—

“(A) terminate payments under this title to the Department;

“(B) reduce payments under this title to the Department by an amount equal to the amount of such payments that were not expended in accordance with this title; or

“(C) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

“(2) ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1), the Secretary shall continue that action until the Secretary determines that the failure by the Department to comply with the provision has been remedied by the Department and the Department is in compliance with that provision.

“(b) NONCOMPLIANCE BECAUSE OF A TECHNICAL INCAPACITY.—The Secretary may provide technical assistance for the Department, either directly or indirectly, that is designed to increase the capability and capacity of the Director of the Department to administer assistance provided under this title in compliance with the requirements under this title if the Secretary makes a finding under subsection (a), but determines that the failure of the Department to comply substantially with the provisions of this title—

“(1) is not a pattern or practice of activities constituting willful noncompliance; and

“(2) is a result of the limited capability or capacity of the Department of Hawaiian Home Lands.

“(c) REFERRAL FOR CIVIL ACTION.—

“(1) AUTHORITY.—In lieu of, or in addition to, any action that the Secretary may take under subsection (a), if the Secretary has reason to believe that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary may refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

“(2) CIVIL ACTION.—Upon receiving a referral under paragraph (1), the Attorney General may bring a civil action in any United States district court of appropriate jurisdiction for such relief as may be appropriate, including an action—

“(A) to recover the amount of the assistance furnished under this title that was not expended in accordance with this title; or

“(B) for mandatory or injunctive relief.

“(d) REVIEW.—

“(1) IN GENERAL.—If the Director receives notice under subsection (a) of the termination, reduction, or limitation of payments under this Act, the Director—

“(A) may, not later than 60 days after receiving such notice, file with the United States Court of Appeals for the Ninth Circuit, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action of the Secretary; and

“(B) upon the filing of any petition under subparagraph (A), shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

“(2) PROCEDURE.—

“(A) IN GENERAL.—The Secretary shall file in the court a record of the proceeding on which the Secretary based

the action, as provided in section 2112 of title 28, United States Code.

“(B) OBJECTIONS.—No objection to the action of the Secretary shall be considered by the court unless the Department has registered the objection before the Secretary.

“(3) DISPOSITION.—

“(A) COURT PROCEEDINGS.—

“(i) JURISDICTION OF COURT.—The court shall have jurisdiction to affirm or modify the action of the Secretary or to set the action aside in whole or in part.

“(ii) FINDINGS OF FACT.—If supported by substantial evidence on the record considered as a whole, the findings of fact by the Secretary shall be conclusive.

“(iii) ADDITION.—The court may order evidence, in addition to the evidence submitted for review under this subsection, to be taken by the Secretary, and to be made part of the record.

“(B) SECRETARY.—

“(i) IN GENERAL.—The Secretary, by reason of the additional evidence referred to in subparagraph (A) and filed with the court—

“(I) may—

“(aa) modify the findings of fact of the Secretary; or

“(bb) make new findings; and

“(II) shall file—

“(aa) such modified or new findings; and

“(bb) the recommendation of the Secretary, if any, for the modification or setting aside of the original action of the Secretary.

“(ii) FINDINGS.—The findings referred to in clause (i)(II)(bb) shall, with respect to a question of fact, be considered to be conclusive if those findings are—

“(I) supported by substantial evidence on the record; and

“(II) considered as a whole.

“(4) FINALITY.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), upon the filing of the record under this subsection with the court—

“(i) the jurisdiction of the court shall be exclusive; and

“(ii) the judgment of the court shall be final.

“(B) REVIEW BY SUPREME COURT.—A judgment under subparagraph (A) shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification, as provided in section 1254 of title 28, United States Code.

“SEC. 819. MONITORING OF COMPLIANCE.

“(a) ENFORCEABLE AGREEMENTS.—

“(1) IN GENERAL.—The Director, through binding contractual agreements with owners or other authorized entities, shall ensure long-term compliance with the provisions of this title.

“(2) MEASURES.—The measures referred to in paragraph (1) shall provide for—

“(A) to the extent allowable by Federal and State law, the enforcement of the provisions of this title by the Department and the Secretary; and

“(B) remedies for breach of the provisions referred to in paragraph (1).

“(b) PERIODIC MONITORING.—

“(1) IN GENERAL.—Not less frequently than annually, the Director shall review the activities conducted and housing assisted under this title to assess compliance with the requirements of this title.

“(2) REVIEW.—Each review under paragraph (1) shall include onsite inspection of housing to determine compliance with applicable requirements.

“(3) RESULTS.—The results of each review under paragraph (1) shall be—

“(A) included in a performance report of the Director submitted to the Secretary under section 820; and

“(B) made available to the public.

“(c) PERFORMANCE MEASURES.—The Secretary shall establish such performance measures as may be necessary to assess compliance with the requirements of this title.

“SEC. 820. PERFORMANCE REPORTS.

“(a) REQUIREMENT.—For each fiscal year, the Director shall—

“(1) review the progress the Department has made during that fiscal year in carrying out the housing plan submitted by the Department under section 803; and

“(2) submit a report to the Secretary (in a form acceptable to the Secretary) describing the conclusions of the review.

“(b) CONTENT.—Each report submitted under this section for a fiscal year shall—

“(1) describe the use of grant amounts provided to the Department of Hawaiian Home Lands for that fiscal year;

“(2) assess the relationship of the use referred to in paragraph (1) to the goals identified in the housing plan;

“(3) indicate the programmatic accomplishments of the Department; and

“(4) describe the manner in which the Department would change its housing plan submitted under section 803 as a result of its experiences.

“(c) SUBMISSIONS.—The Secretary shall—

“(1) establish a date for submission of each report under this section;

“(2) review each such report; and

“(3) with respect to each such report, make recommendations as the Secretary considers appropriate to carry out the purposes of this title.

“(d) PUBLIC AVAILABILITY.—

“(1) COMMENTS BY BENEFICIARIES.—In preparing a report under this section, the Director shall make the report publicly available to the beneficiaries of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.) and give a sufficient amount of time to permit those beneficiaries to comment on

that report before it is submitted to the Secretary (in such manner and at such time as the Director may determine).

“(2) SUMMARY OF COMMENTS.—The report shall include a summary of any comments received by the Director from beneficiaries under paragraph (1) regarding the program to carry out the housing plan.

“SEC. 821. REVIEW AND AUDIT BY SECRETARY.

“(a) ANNUAL REVIEW.—

“(1) IN GENERAL.—The Secretary shall, not less frequently than on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether—

“(A) the Director has—

“(i) carried out eligible activities under this title in a timely manner;

“(ii) carried out and made certifications in accordance with the requirements and the primary objectives of this title and with other applicable laws; and

“(iii) a continuing capacity to carry out the eligible activities in a timely manner;

“(B) the Director has complied with the housing plan submitted by the Director under section 803; and

“(C) the performance reports of the Department under section 821 are accurate.

“(2) ONSITE VISITS.—Each review conducted under this section shall, to the extent practicable, include onsite visits by employees of the Department of Housing and Urban Development.

“(b) REPORT BY SECRETARY.—The Secretary shall give the Department of Hawaiian Home Lands not less than 30 days to review and comment on a report under this subsection. After taking into consideration the comments of the Department, the Secretary may revise the report and shall make the comments of the Department and the report with any revisions, readily available to the public not later than 30 days after receipt of the comments of the Department.

“(c) EFFECT OF REVIEWS.—The Secretary may make appropriate adjustments in the amount of annual grants under this title in accordance with the findings of the Secretary pursuant to reviews and audits under this section. The Secretary may adjust, reduce, or withdraw grant amounts, or take other action as appropriate in accordance with the reviews and audits of the Secretary under this section, except that grant amounts already expended on affordable housing activities may not be recaptured or deducted from future assistance provided to the Department of Hawaiian Home Lands.

“SEC. 822. GENERAL ACCOUNTING OFFICE AUDITS.

“To the extent that the financial transactions of the Department of Hawaiian Home Lands involving grant amounts under this title relate to amounts provided under this title, those transactions may be audited by the Comptroller General of the United States under such regulations as may be prescribed by the Comptroller General. The Comptroller General of the United States shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Department of Hawaiian

Home Lands pertaining to such financial transactions and necessary to facilitate the audit.

“SEC. 823. REPORTS TO CONGRESS.

“(a) IN GENERAL.—Not later than 90 days after the conclusion of each fiscal year in which assistance under this title is made available, the Secretary shall submit to Congress a report that contains—

“(1) a description of the progress made in accomplishing the objectives of this title;

“(2) a summary of the use of funds available under this title during the preceding fiscal year; and

“(3) a description of the aggregate outstanding loan guarantees under section 184A of the Housing and Community Development Act of 1992.

“(b) RELATED REPORTS.—The Secretary may require the Director to submit to the Secretary such reports and other information as may be necessary in order for the Secretary to prepare the report required under subsection (a).

“SEC. 824. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to the Department of Housing and Urban Development for grants under this title such sums as may be necessary for each of fiscal years 2001, 2002, 2003, 2004, and 2005.”.

SEC. 724. LOAN GUARANTEES.

Subtitle E of title I of the Housing and Community Development Act of 1992 is amended by inserting after section 184 (12 U.S.C. 1715z–13a) the following:

“SEC. 184A. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

“(a) DEFINITIONS.—In this section:

“(1) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term ‘Department of Hawaiian Home Lands’ means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

“(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a Native Hawaiian family, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and private nonprofit or private for-profit organizations experienced in the planning and development of affordable housing for Native Hawaiians.

“(3) FAMILY.—The term ‘family’ means 1 or more persons maintaining a household, as the Secretary shall by regulation provide.

“(4) GUARANTEE FUND.—The term ‘Guarantee Fund’ means the Native Hawaiian Housing Loan Guarantee Fund established under subsection (i).

“(5) HAWAIIAN HOME LANDS.—The term ‘Hawaiian Home Lands’ means lands that—

“(A) have the status of Hawaiian Home Lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

“(B) are acquired pursuant to that Act.

“(6) NATIVE HAWAIIAN.—The term ‘Native Hawaiian’ means any individual who is—

“(A) a citizen of the United States; and

“(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

“(i) genealogical records;

“(ii) verification by kupuna (elders) or kama’aina (long-term community residents); or

“(iii) birth records of the State of Hawaii.

“(7) OFFICE OF HAWAIIAN AFFAIRS.—The term ‘Office of Hawaiian Affairs’ means the entity of that name established under the constitution of the State of Hawaii.

“(b) AUTHORITY.—To provide access to sources of private financing to Native Hawaiian families who otherwise could not acquire housing financing because of the unique legal status of the Hawaiian Home Lands or as a result of a lack of access to private financial markets, the Secretary may guarantee an amount not to exceed 100 percent of the unpaid principal and interest that is due on an eligible loan under subsection (b).

“(c) ELIGIBLE LOANS.—Under this section, a loan is an eligible loan if that loan meets the following requirements:

“(1) ELIGIBLE BORROWERS.—The loan is made only to a borrower who is—

“(A) a Native Hawaiian family;

“(B) the Department of Hawaiian Home Lands;

“(C) the Office of Hawaiian Affairs; or

“(D) a private nonprofit organization experienced in the planning and development of affordable housing for Native Hawaiians.

“(2) ELIGIBLE HOUSING.—

“(A) IN GENERAL.—The loan will be used to construct, acquire, or rehabilitate not more than 4-family dwellings that are standard housing and are located on Hawaiian Home Lands for which a housing plan described in subparagraph (B) applies.

“(B) HOUSING PLAN.—A housing plan described in this subparagraph is a housing plan that—

“(i) has been submitted and approved by the Secretary under section 803 of the Native American Housing Assistance and Self-Determination Act of 1996; and

“(ii) provides for the use of loan guarantees under this section to provide affordable homeownership housing on Hawaiian Home Lands.

“(3) SECURITY.—The loan may be secured by any collateral authorized under applicable Federal or State law.

“(4) LENDERS.—

“(A) IN GENERAL.—The loan shall be made only by a lender approved by, and meeting qualifications established by, the Secretary, including any lender described in subparagraph (B), except that a loan otherwise insured or guaranteed by an agency of the Federal Government or

made by the Department of Hawaiian Home Lands from amounts borrowed from the United States shall not be eligible for a guarantee under this section.

“(B) APPROVAL.—The following lenders shall be considered to be lenders that have been approved by the Secretary:

“(i) Any mortgagee approved by the Secretary for participation in the single family mortgage insurance program under title II of the National Housing Act (12 U.S.C.A. 1707 et seq.).

“(ii) Any lender that makes housing loans under chapter 37 of title 38, United States Code, that are automatically guaranteed under section 3702(d) of title 38, United States Code.

“(iii) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949 (42 U.S.C.A. 1441 et seq.).

“(iv) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

“(5) TERMS.—The loan shall—

“(A) be made for a term not exceeding 30 years;

“(B) bear interest (exclusive of the guarantee fee under subsection (d) and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, but not to exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

“(C) involve a principal obligation not exceeding—

“(i) 97.75 percent of the appraised value of the property as of the date the loan is accepted for guarantee (or 98.75 percent if the value of the property is \$50,000 or less); or

“(ii) the amount approved by the Secretary under this section; and

“(D) involve a payment on account of the property—

“(i) in cash or its equivalent; or

“(ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

“(d) CERTIFICATE OF GUARANTEE.—

“(1) APPROVAL PROCESS.—

“(A) IN GENERAL.—Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination.

“(B) APPROVAL.—If the Secretary approves the application submitted under subparagraph (A), the Secretary shall issue a certificate under this subsection as evidence of the loan guarantee approved.

“(2) STANDARD FOR APPROVAL.—The Secretary may approve a loan for guarantee under this section and issue a certificate under this subsection only if the Secretary determines that there is a reasonable prospect of repayment of the loan.

“(3) EFFECT.—

“(A) IN GENERAL.—A certificate of guarantee issued under this subsection by the Secretary shall be conclusive evidence of the eligibility of the loan for guarantee under this section and the amount of that guarantee.

“(B) EVIDENCE.—The evidence referred to in subparagraph (A) shall be incontestable in the hands of the bearer.

“(C) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for the obligations made by the Secretary under this section.

“(4) FRAUD AND MISREPRESENTATION.—This subsection may not be construed—

“(A) to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation; or

“(B) to bar the Secretary from establishing by regulations that are on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

“(e) GUARANTEE FEE.—

“(1) IN GENERAL.—The Secretary shall fix and collect a guarantee fee for the guarantee of a loan under this section, which may not exceed the amount equal to 1 percent of the principal obligation of the loan.

“(2) PAYMENT.—The fee under this subsection shall—

“(A) be paid by the lender at time of issuance of the guarantee; and

“(B) be adequate, in the determination of the Secretary, to cover expenses and probable losses.

“(3) DEPOSIT.—The Secretary shall deposit any fees collected under this subsection in the Native Hawaiian Housing Loan Guarantee Fund established under subsection (j).

“(f) LIABILITY UNDER GUARANTEE.—The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement involved.

“(g) TRANSFER AND ASSUMPTION.—Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

“(h) DISQUALIFICATION OF LENDERS AND CIVIL MONEY PENALTIES.—

“(1) IN GENERAL.—

“(A) GROUNDS FOR ACTION.—The Secretary may take action under subparagraph (B) if the Secretary determines

that any lender or holder of a guarantee certificate under subsection (c)—

“(i) has failed—

“(I) to maintain adequate accounting records;

“(II) to service adequately loans guaranteed under this section; or

“(III) to exercise proper credit or underwriting judgment; or

“(ii) has engaged in practices otherwise detrimental to the interest of a borrower or the United States.

“(B) ACTIONS.—Upon a determination by the Secretary that a holder of a guarantee certificate under subsection (c) has failed to carry out an activity described in subparagraph (A)(i) or has engaged in practices described in subparagraph (A)(ii), the Secretary may—

“(i) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

“(ii) bar such lender or holder from acquiring additional loans guaranteed under this section; and

“(iii) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

“(2) CIVIL MONEY PENALTIES FOR INTENTIONAL VIOLATIONS.—

“(A) IN GENERAL.—The Secretary may impose a civil monetary penalty on a lender or holder of a guarantee certificate under subsection (d) if the Secretary determines that the holder or lender has intentionally failed—

“(i) to maintain adequate accounting records;

“(ii) to adequately service loans guaranteed under this section; or

“(iii) to exercise proper credit or underwriting judgment.

“(B) PENALTIES.—A civil monetary penalty imposed under this paragraph shall be imposed in the manner and be in an amount provided under section 536 of the National Housing Act (12 U.S.C.A. 1735f-1) with respect to mortgagees and lenders under that Act.

“(3) PAYMENT ON LOANS MADE IN GOOD FAITH.—Notwithstanding paragraphs (1) and (2), if a loan was made in good faith, the Secretary may not refuse to pay a lender or holder of a valid guarantee on that loan, without regard to whether the lender or holder is barred under this subsection.

“(i) PAYMENT UNDER GUARANTEE.—

“(1) LENDER OPTIONS.—

“(A) IN GENERAL.—

“(i) NOTIFICATION.—If a borrower on a loan guaranteed under this section defaults on the loan, the holder of the guarantee certificate shall provide written notice of the default to the Secretary.

“(ii) PAYMENT.—Upon providing the notice required under clause (i), the holder of the guarantee certificate shall be entitled to payment under the guarantee (sub-

ject to the provisions of this section) and may proceed to obtain payment in 1 of the following manners:

“(I) FORECLOSURE.—

“(aa) IN GENERAL.—The holder of the certificate may initiate foreclosure proceedings (after providing written notice of that action to the Secretary).

“(bb) PAYMENT.—Upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (f)) plus reasonable fees and expenses as approved by the Secretary.

“(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

“(II) NO FORECLOSURE.—

“(aa) IN GENERAL.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interest of the United States.

“(bb) PAYMENT.—Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (f)).

“(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

“(B) REQUIREMENTS.—Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines to be appropriate.

“(2) LIMITATIONS ON LIQUIDATION.—

“(A) IN GENERAL.—If a borrower defaults on a loan guaranteed under this section that involves a security interest in restricted Hawaiian Home Land property, the mortgagee or the Secretary shall only pursue liquidation after offering to transfer the account to another eligible Hawaiian family or the Department of Hawaiian Home Lands.

“(B) LIMITATION.—If, after action is taken under subparagraph (A), the mortgagee or the Secretary subsequently proceeds to liquidate the account, the mortgagee or the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property described in subparagraph (A) except to another eligible Hawaiian family or to the Department of Hawaiian Home Lands.

“(j) HAWAIIAN HOUSING LOAN GUARANTEE FUND.—

“(1) ESTABLISHMENT.—There is established in the Treasury of the United States the Hawaiian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

“(2) CREDITS.—The Guarantee Fund shall be credited with—

“(A) any amount, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

“(B) any amounts appropriated pursuant to paragraph (7);

“(C) any guarantee fees collected under subsection (d); and

“(D) any interest or earnings on amounts invested under paragraph (4).

“(3) USE.—Amounts in the Guarantee Fund shall be available, to the extent provided in appropriations Acts, for—

“(A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans;

“(B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;

“(C) acquiring such security property at foreclosure sales or otherwise;

“(D) paying administrative expenses in connection with this section; and

“(E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.

“(4) INVESTMENT.—Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required at the time of the determination to carry out this section may be invested in obligations of the United States.

“(5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES.—

“(A) REQUIREMENT OF APPROPRIATIONS.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year to the extent, or in such amounts as are, or have been, provided in appropriations Acts, without regard to the fiscal year for which such amounts were appropriated.

“(B) LIMITATIONS ON COSTS OF GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriations Acts to cover the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loan guarantees for such fiscal year. Any amounts appropriated pursuant to this subparagraph shall remain available until expended.

“(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section for each of fiscal years 2001, 2002, 2003, 2004, and 2005 with an aggregate outstanding principal amount not exceeding \$100,000,000 for each such fiscal year.

“(6) LIABILITIES.—All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2)(A) shall be liabilities and obligations of the Guarantee Fund.

“(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years 2001, 2002, 2003, 2004, and 2005.

“(k) REQUIREMENTS FOR STANDARD HOUSING.—

“(1) IN GENERAL.—The Secretary shall, by regulation, establish housing safety and quality standards to be applied for use under this section.

“(2) STANDARDS.—The standards referred to in paragraph (1) shall—

“(A) provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section; and

“(B) require each dwelling unit in any housing acquired in the manner described in subparagraph (A) to—

“(i) be decent, safe, sanitary, and modest in size and design;

“(ii) conform with applicable general construction standards for the region in which the housing is located;

“(iii) contain a plumbing system that—

“(I) uses a properly installed system of piping;

“(II) includes a kitchen sink and a partitioned bathroom with lavatory, toilet, and bath or shower; and

“(III) uses water supply, plumbing, and sewage disposal systems that conform to any minimum

standards established by the applicable county or State;

“(iv) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any appropriate county, State, or national code;

“(v) be not less than the size provided under the applicable locally adopted standards for size of dwelling units, except that the Secretary, upon request of the Department of Hawaiian Home Lands may waive the size requirements under this paragraph; and

“(vi) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act (12 U.S.C.A. 1735f-4), unless the Secretary determines that the requirements are not applicable.

“(l) APPLICABILITY OF CIVIL RIGHTS STATUTES.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of the Fair Housing Act (42 U.S.C.A. 3601 et seq.) apply to a guarantee provided under this subsection, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of the guarantee to an eligible entity on the basis that the entity serves Native Hawaiian families or is a Native Hawaiian family.”.

Page 166, in line 10, strike the dash and all that follows through “GENERAL.” in line 11.

Page 166, strike lines 17 through 25.

Strike line 25 on page 173, and all that follows through line 2 on page 174, and insert the following:

“(1) to protect the quality, durability, safety, and affordability of manufactured homes;”

Page 174, strike lines 11 through 13 and insert the following:

“(5) to protect residents of manufactured homes with respect to personal injuries and the amount of insurance costs and property damages in manufactured housing, consistent with the other purposes of this section;”.

Page 176, line 18, before the semicolon insert “, including the inspection of homes in the plant”.

Page 176, line 21, strike both commas.

Strike line 25 on page 176 and all that follows through “means” in line 1 on page 177, and insert the following:

“(21) ‘monitoring’ means

Page 177, lines 5 through 7, strike “recommended by the consensus committee and promulgated in accordance with” and insert “promulgated under this title, giving due consideration to the recommendations of the consensus committee as provided in”.

Page 177, line 10, strike “; and” and insert “.”.

Page 177, strike lines 11 through 13.

Page 179, line 19, strike “appoint” and insert “recommend”.

Page 182, lines 12 and 13, strike “, subject to approval by the Secretary,” and insert “by the Secretary, after consideration of the recommendations made”.

Page 182, line 14, insert a comma after “organization”.

Page 182, strike lines 22 through 25 and insert the following:

“(C) DISAPPROVAL.—The Secretary shall state, in writing, the reasons for failing to appoint any individual recommended under paragraph (2)(A)(ii)(I).

Page 184, lines 1 and 2, strike “administering organization in its appointments” and insert “Secretary”.

Page 188, line 20, before the period insert “in accordance with section 553 of title 5, United States Code”.

Page 188, line 23, after “standard” insert “in accordance with such section 553”.

Page 189, line 22, strike “7” and insert “30”.

Page 193, line 5, after “regulations” insert “and revision to existing regulations”.

Page 195, strike lines 16 through 22 and insert the following:

“(5) AUTHORITY TO ACT AND EMERGENCY.—If the Secretary determines, in writing, that such action is necessary to address an issue on which the Secretary determines that the consensus committee has not made a timely recommendation following a request by the Secretary, or in order to respond to an emergency which jeopardizes the public health or safety, the Secretary

Page 196, line 3, strike “emergency”.

Page 196, line 5, after “issues” insert “the order after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code,”.

Page 196, line 12, strike “of” and insert “or”.

Page 196, line 19, strike “1104(a)(3)” and insert “604(a)(3)”.

Page 199, line 18, after “shall” insert “to the maximum extent possible, taking into account the factors described in section 604(e),”.

Page 200, after line 9, insert the following:

“(4) ISSUANCE.—The model manufactured home installation standards shall be issued after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

Strike “, except that” in line 20 on page 201, and all that follows through line 2 on page 202, and insert a period.

Page 206, after line 3, insert the following new section:

SEC. 1108. PROHIBITED ACTS.

Section 610(a) (42 U.S.C. 5409(a)) is amended—

(1) in paragraph (5), by striking “or” at the end;

(2) in paragraph (6), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(7) after the expiration of the period specified in section 605(c)(2)(B), fail to comply with the requirements for the installation program required by section 605 in any State that has not adopted and implemented a State installation program.”.

Page 207, line 10, strike “and”.

Page 207, after line 13, insert the following:

“(F) implementing sections 605 and 623; and

Page 207, strike lines 19 through 23 and insert the following:

“(b) CONTRACTORS.—When using fees under this section, the Secretary shall ensure that no fewer than 3 separate contracts and 3 separate and independent contractors are retained to carry out monitoring and inspection work and any other work that may be delegated to a contractor under this title; except that the required minimum number of separate contracts and separate and independent contractors shall increase to 4 simultaneous with the latter of—

“(1) the issuance by the Secretary of a request for proposals for the implementation of installation programs, and

“(2) the issuance by the Secretary of a request for proposals for the implementation of dispute resolution program, as provided in this title. The Secretary shall also ensure that no conflict of interest arises from the award of any such contracts.”.

Page 208, line 17, strike the quotation marks and the last period.

Page 208, after line 17, insert the following:

“(3) PAYMENTS TO STATES.—On and after the effective date of the Manufactured Housing Improvement Act, the Secretary shall continue to fund the States having approved State plans in amounts which are not less than the allocated amounts based on the fee distribution system in effect on the day before the effective date of such Act.”.

Page 208, lines 20 and 21, strike “5(b)” each place such term appears and insert “1105(b)”.

Page 209, line 19, after the period insert the following: “The order establishing the dispute resolution program shall be issued after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code.”.

Page 210, strike lines 7 through 11 and insert “paragraph.”.

Page 211, line 16, after “awarded” insert “after April 6, 2000,”.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE COBURN OF OKLAHOMA, OR A DESIGNEE, DEBATABLE FOR 20 MINUTES

Strike line 6 on page 27 and all that follows through line 13 on page 31.

Strike line 3 on page 73 and all that follows through line 16 on page 76.

Strike line 13 on page 91 and all that follows through line 21 on page 93.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE RUSH OF ILLINOIS, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 27, line 14, after “TEACHERS” insert “, NURSES,”.

Page 29, line 1, strike “or (bb)” and insert “(bb) a nurse (as such term is defined by the Secretary, except that such term shall include nurses employed in hospitals and nursing homes), or (cc)”.

Page 30, line 3, strike “or”.

Page 30, after line 3, insert the following:

“(II) in the case of a mortgage of a mortgagor described in clause (i)(I)(bb), the jurisdiction in which the hospital, nursing home, or other place of work of the nurse is located; or

Page 30, line 4, strike “(II)” and insert “(III)”.
 Page 30, line 6, strike “(i)(I)(bb)” and insert “(i)(I)(cc)”.
 Page 73, line 16, after “of,” insert “and nurses (which shall include nurses employed in hospitals and nursing homes)”.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE COBURN OF OKLAHOMA, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 28, line 19, after “(I)” insert “(aa)”.
 Page 29, line 1, strike “or (bb)” and insert “(bb) is employed on a full-time basis as”.
 Page 29, line 8, before the semicolon insert the following:
 , (cc) is employed on a full-time basis by a tax-exempt authority, (dd) is employed on a full-time basis by the Federal Government, (ee) is a member of an organization under the jurisdiction of the National Labor Relations Board, (ff) is employed on a full-time basis by, or has a financial interest in, a small business, or (gg) qualifies for the child care tax credit under section 24 of the Internal Revenue Code of 1986
 Page 73, line 3, strike “**employees**” and insert “**residents**”.
 Page 73, strike lines 13 through 23 and insert the following:
 “(24) provision of direct assistance to facilitate and expand homeownership among residents of the metropolitan city or urban county receiving grant amounts under this title pursuant to section 106(b) or the unit of general local government receiving such grant amounts pursuant to section 106(d), except that—
 Page 73, line 25, strike “employees” and insert “residents”.
 Page 74, lines 11 and 12, strike “employees” and insert “residents”.
 Page 75, lines 2 and 3, strike “employees” and insert “residents”.
 Page 92, line 8, after “(B)(i)” insert “(I)”.
 Page 92, line 15, strike “and” and insert “or”.
 Page 92, after line 15, insert the following:
 “(II)(aa) is employed on a full-time basis by a tax-exempt authority, is employed on a full-time basis by the Federal Government, is a member of an organization under the jurisdiction of the National Labor Relations Board, is employed on a full-time basis by, or has a financial interest in, a small business, or is qualified for the child care tax credit under section 24 of the Internal Revenue Code of 1986, and (bb) is a resident of the participating jurisdiction that is investing funds made available under this title to support homeownership of the residence; and

5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ANDREWS OF NEW JERSEY, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 53, after line 25, insert the following new section:

SEC. 209. ENERGY EFFICIENCY CERTIFICATIONS.

Section 526(a) of the National Housing Act (12 U.S.C. 1735f–4(a)) is amended—

(1) by inserting “(1)” after “(a)”; and

(2) by adding at the end the following new paragraph:

“(2) The Secretary shall require, with respect to any single- or multifamily residential housing subject to a mortgage insured under this Act, that any approval or certification of the housing for meeting any energy efficiency or conservation criteria, standards, or requirements pursuant to this title and any approval or certification required pursuant to this title with respect to energy conserving improvements or any solar energy system, shall be conducted only by a home energy rating system provider who has been accredited to conduct such ratings by the Home Energy Ratings System Council, the Residential Energy Services Network, or such other appropriate national organization, as the Secretary may provide.”.

6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WEYGAND OF RHODE ISLAND, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 59, after line 23, insert the following new section:

SEC. 212. PROPERTY IMPROVEMENT LOAN LIMIT FOR SINGLE-FAMILY HOMES.

Section 2(b)(1)(A)(i) of the National Housing Act (12 U.S.C. 1703(b)(1)(A)(i)) is amended by striking “\$25,000” and inserting “\$32,500”.

7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WATERS OF CALIFORNIA, OR A DESIGNEE, DEBATABLE FOR 20 MINUTES

Page 73, line 4, strike “(a) ELIGIBLE ACTIVITIES.—

Page 74, strike lines 9 through 24 and insert the following:

“(B) such assistance may only be provided on behalf of low- and moderate-income persons;

Page 76, strike lines 7 through 16.

8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SHAYS OF CONNECTICUT, OR REPRESENTATIVE NADLER OF NEW YORK, OR A DESIGNEE, DEBATABLE FOR 20 MINUTES

Page 78, line 18, strike “\$260,000,000” and insert “\$292,000,000”.

9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PAUL OF TEXAS OR REPRESENTATIVE KILPATRICK OF MICHIGAN, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 78, after line 20, insert the following new section:

SEC. 408. PROHIBITION ON USE OF AMOUNTS TO ACQUIRE CHURCH PROPERTY.

Section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305) is amended by adding at the end the following new subsection:

“(i) PROHIBITION ON USE OF ASSISTANCE TO ACQUIRE CHURCH PROPERTY.—Notwithstanding any other provision of this section, no amount from a grant under section 106 may be used to carry out or assist any activity if such activity, or the project for which such activity is to be conducted, involves acquisition of real property owned by a church that is exempt from tax under section 501(a) of the Internal Revenue Code of 1986 (26 U.S.C. 501(a)), unless the governing body of the church has previously consented to such acquisition.”.

10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TRAFICANT OF OHIO, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title IV, add the following new section:

SEC. 408. CDBG SPECIAL PURPOSE GRANTS.

Section 107(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5307(a)(1)) is amended—

(1) in the matter preceding subparagraph (A)—

(A) by striking “\$60,000,000” and inserting “\$95,000,000”; and

(B) by striking “subsection (b)” and inserting “this section”; and

(2) by striking subparagraph (G) and inserting the following new subparagraph:

“(G) \$35,000,000 shall be available in fiscal year 2001 for a grant to the City of Youngstown, Ohio, for the site acquisition, planning, architectural design, and construction of a convocation and community center in such city;”.

11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SOUDER OF INDIANA, OR A DESIGNEE, DEBATABLE FOR 20 MINUTES

Page 121, after line 11, insert the following new section:

SEC. 609. GRANT ELIGIBILITY OF COMMUNITY ORGANIZATIONS.

(a) ELIGIBILITY.—For any program administered by the Secretary of Housing and Urban Development under which financial assistance is provided by the Secretary to nongovernmental organizations or to a State or local government for provision to nongovernmental organizations, religious organizations shall be eligible, on the same basis as other nongovernmental organizations, to receive the financial assistance under the program from the Secretary or such State and local governments, as the case may be, as long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution. Neither the Secretary nor a State or local government to which such financial assistance is provided shall discriminate against an organization that receives financial assistance, or applies to receive assistance, under a program administered by the Secretary, on the basis that the organization has a religious character.

(b) RELIGIOUS CHARACTER AND INDEPENDENCE.—

(1) IN GENERAL.—A religious organization that receives assistance under a program described in subsection (a) shall re-

tain its religious character and control over the definition, development, practice, and expression of its religious beliefs.

(2) **ADDITIONAL SAFEGUARDS.**—Neither the Federal Government nor a State or local government shall require a religious organization—

(A) to alter its form of internal governance; or

(B) to remove religious art, icons, scripture, or other symbols;

in order to be eligible to provide assistance under a program described in subsection (a).

(3) **EMPLOYMENT PRACTICES.**—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a).

(c) **LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.**—No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

(d) **FISCAL ACCOUNTABILITY.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (a) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

(2) **LIMITED AUDIT.**—Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

(e) **TREATMENT OF ELIGIBLE ENTITIES AND OTHER INTERMEDIATE ORGANIZATIONS.**—If an eligible entity or other organization (referred to in this subsection as an “intermediate organization”), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government.

(f) **DEFINITIONS.**—For purposes of this section:

(1) **FINANCIAL ASSISTANCE.**—The term “financial assistance” means any grant, loan, subsidy, guarantee, or other financial assistance, except that such term does not include any mortgage insurance provided under a program administered by the Secretary.

(2) **SECRETARY.**—The term “Secretary” means the Secretary of Housing and Urban Development.

12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GARY MILLER OF CALIFORNIA, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill add the following new title:

TITLE XII—PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION PRO- GRAM

SEC. 1201. ELIGIBLE PUBLIC HOUSING AGENCIES.

Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(B), by inserting “or (4)” before the period at the end;

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph:

“(4) EFFECTIVE PHA’S.—The class established under this paragraph is the class of public housing agencies that demonstrate, to the satisfaction of the Secretary, that—

“(A) the agency, in cooperation with local law enforcement agencies, has largely eliminated drug and crime problems in the public housing project or projects for which the assistance will be used;

“(B) the agency needs assistance under this chapter to sustain the low incidence of crime and drug problems in and around such public housing; and

“(C) such assistance will be used to expand police services in and around such public housing.”; and

(2) in subsection (c)(1), by inserting before the semicolon the following: “except that this paragraph shall not apply in the case of agencies eligible for assistance under this chapter pursuant to subsection (b)(4)”.